ASCOTT RESIDENCE TRUST
A Member of CapitaLand

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ASCOTT REIT'S 1Q 2018 UNITHOLDERS' DISTRIBUTION RISES 16% TO S$29.2 MILLION

Singapore, 18 April 2018 – Ascott Residence Trust's (Ascott Reit) Unitholders' distribution for 1Q 2018 rose 16% to S$29.2 million. Its distribution per unit (DPU) for 1Q 2018 was 1.28 cents after adjustment for one-off items. This is an increase of 9% over 1Q 2017's restated DPU of 1.17 cents following Ascott Reit's rights issue in April 2017[1].

The increase in Unitholders' distribution was due to contributions from acquisitions in 2017 and a realised exchange gain of S$1.6 million arising from the proceeds received from the divestment of two serviced residences in Shanghai and Xi'an of China, as well as the repayment of foreign currency bank loans with the divestment proceeds. For 1Q 2018, Ascott Reit's gross profit went up by 3% to S$48.7 million, while its revenue grew 1% to S$112.8 million.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit continues to deliver stable returns to Unitholders in 1Q 2018 through its quality assets across Asia Pacific, Europe and the U.S. Ascott Reit's four acquisitions in Singapore, Frankfurt, Hamburg and New York last year continue to contribute to higher gross profit. The healthy results for 1Q 2018 reflects the resilience of our geographically diversified and well-balanced portfolio. Half of our gross profit is contributed by stable income from master leases and serviced residences on management contracts with minimum guaranteed income, while the remaining is contributed by growth income through management contracts."

He added: "As part of our portfolio reconstitution strategy, we completed in January 2018 the divestment of two serviced residences in Shanghai and Xi'an at 69% above property valuation, with a net gain of S$51.6 million. We distributed S$6.5 million, which is part of the divestment gain, in February 2018, and the remaining may be used to enhance Ascott Reit's assets or fund potential investments. We will continue to seek accretive investments in gateway cities while actively identifying opportunities to unlock the value of assets and redeploy the capital to higher-yielding properties."

Ms Beh Siew Kim, ARTML's Chief Executive Officer, said: "Ascott Reit's properties in markets such as Belgium, China, United Kingdom and Indonesia have achieved better operational performance. Belgium was the best performer with a 20%[2] increase in RevPAU due to stronger demand, while the RevPAU for China grew 16%[2] with the divestments of the two properties in Shanghai and Xi'an. RevPAU for the United Kingdom rose 7%[2] due to greater leisure demand and higher revenue from the refurbished apartments at Citadines Barbican London. Stronger corporate demand also contributed to a 4%[2] increase in RevPAU for Indonesia."

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[1] Gross proceeds from the rights issue was used to part finance the remaining purchase price for Ascott Orchard Singapore and the acquisitions of Citadines City Centre Frankfurt and Citadines Michel Hamburg in 2017.
[2] Based on RevPAU in local currencies.

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"Guests can look forward to an enhanced experience at the newly renovated Sheraton Tribeca New York Hotel. We expect to complete the refurbishment of Ascott Makati, Citadines Trocadéro Paris, Citadines Anulfpark Munich, and Somerset Grand Hanoi this year, as well as Somerset Grand Citra Jakarta next year."

The International Monetary Fund has forecasted a 3.9% growth in 2018, reflecting a positive global economic outlook[3]. The U.S. Federal Reserve raised interest rates in March 2018, and expects two more hikes this year. New supply in some countries that Ascott operates in is likely to rise steadily, resulting in keen competition and a downward pressure on rates. Nevertheless, Ascott Reit continues to proactively manage its properties to stay competitive, and remains focused on delivering stable returns to Unitholders and prudent in its capital management.

Ms Beh added: "We continue to maintain a disciplined and prudent approach towards capital management, with about 86% of our total borrowings on fixed interest rates to hedge against potential rising interest rates. We have also commenced discussions with banks to refinance the debts due in 2018, ahead of their maturity dates. We will continue to monitor and manage our interest rate and exchange rate exposure."

Summary of Results

1Q 2018 vs. 1Q 2017

	1Q 2018	**1Q 2017**	**Change (%)**
Revenue (S$ million)	112.8	111.3	+1
Gross Profit (S$ million)	48.7	47.4	+3
Unitholders' Distribution (S$ million)	29.2	25.1	+16
DPU (S cents)	1.35	1.51	-11
DPU (S cents) (restated for rights issue)	1.35	1.17(1)	+15
DPU (S cents) (adjusted for one-off items)	1.28(2)	1.17(1)	+9
Revenue Per Available Unit (RevPAU) S$/day	129	128	+1

(1) DPU for 1Q 2017 has been restated for Ascott Reit's rights issue, through which 481,688,010 units were issued on 11 April 2017. Gross proceeds from the rights issue was used to part finance the remaining purchase price for Ascott Orchard Singapore and the acquisitions of Citadines City Centre Frankfurt and Citadines Michel Hamburg in 2017.

[3] "World Economic Outlook Update, January 2018: Brighter Prospects, Optimistic Markets, Challenges Ahead" (January 2018), International Monetary Fund

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(2) Unitholders' distribution for 1Q 2018 included a realised exchange gain of S$1.6 million arising from the receipt of divestment proceeds and repayment of foreign currency bank loans with the divestment proceeds.

For Ascott Reit's 1Q 2018 financial statement and presentation slides, please visit www.ascottreit.com.

About Ascott Residence Trust

Ascott Reit was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used, as serviced residences, rental housing properties and other hospitality assets.

Ascott Reit's asset size has grown to S$5.2 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 73 properties with 11,430 units in 37 cities across 14 countries in the Americas, Asia Pacific and Europe.

Ascott Reit's serviced residences are mostly operated under the Ascott, Citadines and Somerset brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Guangzhou, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Shanghai, Singapore and Tokyo.

Ascott Reit is managed by Ascott Residence Trust Management Limited, a wholly owned subsidiary of The Ascott Limited and an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies.

Important Notice

The value of units in Ascott Reit and the income derived from them may fall as well as rise. Units in Ascott Reit are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, the Manager of Ascott Reit (the "Manager") or any of its affiliates. An investment in the units in Ascott Reit is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott Reit is not necessarily indicative of its future performance.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Issued by:

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